

## ***2007 State of the State Address January 24, 2007***

Lt. Governor Kinder, Mr. President Pro Tem, Mr. Speaker, distinguished state officials, judges of the Supreme Court, members of the General Assembly, reverend clergy, my fellow Missourians:

The tradition of this address began when President George Washington stood before an uncertain legislature, at an uncertain time in our young nation's history, and urged the Congress to prolong this great experiment, "the United States of America," by promoting science and learning.

Two years ago I stood before you at a time of uncertainty in our own state. I asked for your help in re-ordering priorities and returning to fiscal discipline. I asked you to join me in rejecting complacency so that we could create conditions that would lead to prosperity for every Missourian.

Tonight, I stand before you pleased to report that because of our work together the days of economic uncertainty are in the past.

Now we have reason for renewed optimism, reason to stand strong with hope for the future. Opportunities are increasing, and Missouri families have a better quality of life.

More than 50,000 jobs have been created, and Missourians are enjoying greater prosperity.

Fellow Missourians, the state of our state is strong, prosperous and vibrant.

We cannot and should not rest on these important accomplishments. We must do more!

I have traveled all across our great state. I have talked with Missourians and I have listened. The people are asking us to continue moving the state forward, and their will should guide our efforts.

Mothers and fathers want the financial security that enables them to provide for their children's future. They want the peace of mind that comes from knowing that their children will receive a world class education every time they step into a Missouri classroom, that their children will be protected from predators when they log on to the Internet or ride their bike to the neighborhood park, that they will grow up in a culture that is kind and just, and that they will have access to higher education that will unleash their full potential.

Sons and daughters want to know that their parents and loved ones will be taken care of, that their health care will be of the highest quality, and that their leaders will honor the promises and commitments made to a great generation of Americans.

Grandparents want their grandchildren to live in a decent society, and they want confidence that the values that have made America great will be transmitted to yet another generation. They want to know that we are working to ensure safety in nursing homes and other long-term care facilities; and that we respect and will not cut people's Social Security.

Missouri families want confidence that their government is looking out for their interests instead of its own; that we are pursuing results instead of partisanship; and that we will deliver on pledges and commitments. So let us work together to fulfill promises, beginning with the promise that we will put Missouri families first.

### **Quality, Affordable Health Care**

As I visit with Missouri families, one of their chief concerns, and in many cases one of their greatest worries, is how they will afford health care. Missourians are also very concerned about the sick and the poor.

The old Medicaid system was bankrupting our state but, even more importantly, the old system was failing Missourians who need help. Bad management permitted widespread abuse by providers and ineligible recipients at a cost of hundreds of millions of dollars—money that should have been used for Missouri's most vulnerable citizens. The old system was so bad that Medicaid was even paying for Viagra for sex offenders.

The decisions we made saved Medicaid and set us on a course to dramatically improve care for the sick and poor beginning now.

Since I took office, I have been visiting with Missourians about their health care concerns. Missourians are worried about those who lack insurance. This is my concern as well. Tonight I promise to deliver improved access to affordable health care for every Missourian and the guarantee that the sick and the poor will be well served.

With the advice and suggestions of many in this Chamber and thousands across our state, we developed MO HealthNet to replace the old Medicaid system.

What I propose with MO HealthNet is not a minor reform. It is an entirely new system. It will stand apart from what any other state has done or is doing. The Medicaid program we inherited was a paper-based system, basically unchanged from its original 1967 model. HealthNet will put people first. The old Medicaid failed to focus on prevention and wellness. HealthNet will improve the health of the sick and the poor.

The Medicaid we inherited focused on rules and made recipients dependant on checklists and bureaucratic red tape. HealthNet will give Missourians meaningful choices. It will empower them to be participants rather than just recipients. The old Medicaid was about sickness. The new HealthNet will be about prevention and wellness.

With MO HealthNet, for the first time in Missouri history we will guarantee that every participant has access to primary and preventative care.

HealthNet recognizes that Missourians should all have one central point of contact and a doctor who knows them personally. HealthNet provides this access by empowering participants to choose their health care home.

I recently had the opportunity to talk with Dr. Heidi Miller, a young doctor who cares for indigent Missourians at Family Care Health Centers in St. Louis. Dr. Miller explained why she believes in the health care home. Dr. Miller described the health care home as a place you know, and a place that knows you. She described the health care home as a place that makes you feel safe, a place where you do not have to explain yourself every time, a place where you can go in your time of need. I agree with Dr. Miller. A health care home offers a place to build relationships, and that is why it is a cornerstone of HealthNet.

HealthNet takes the whole person into account. It will use a health risk assessment to develop a plan of care for improved health and, help to avoid unnecessary emergency room visits and unnecessary hospitalizations.

HealthNet recognizes that some people need more help and attention than others. The most vulnerable participants often have extensive health care needs, and they will have the option to participate in the Chronic Care Improvement Program. We are expanding this important program to cover patients with sickle cell disease.

HealthNet also will embrace technology to ensure that all health care information is available to patients and providers in a secure system.

HealthNet recognizes that the old Medicaid did little to reward good providers for improving the health of their patients. Unlike the old Medicaid system, HealthNet will

pay providers for results, not just visits or tests. In addition to providing all of these benefits, HealthNet will also give participants incentives.

Perhaps most importantly, HealthNet will empower the participant to make their own healthcare choices. HealthNet will significantly expand the number of participants who are allowed to choose their own health plan or to purchase health insurance. We should provide options for care so participants can choose a health plan that is right for them. And we must unleash the power of the free market by empowering participants to be informed and active consumers. This will drive out cost and lead to higher quality care. My HealthNet proposal expands choice and empowers participants.

Federally Qualified Health Centers already serve as the medical home to nearly 300,000 Missourians, providing comprehensive and quality care in nearly 110 community health centers. These centers are making health care available to uninsured Missourians.

So I have made them a budget priority. Over the last two years you and I have worked together to support the creation of new health centers across the state. We should continue that effort. My budget will provide 60 million dollars for improvements, construction and equipment at community health centers throughout Missouri.

Many employers—particularly small businesses—struggle to pay for the health care of their employees. To those employers who are providing good health benefits: Thank you.

Your support of your employees is appreciated. And that is why I am asking this legislature to cut the franchise tax for businesses that provide health insurance. My plan could eliminate the tax for 87 percent of employers and virtually all of our small businesses paying the tax, but they only qualify if they are providing health benefits to their workers.

More than 5 million Missourians have health insurance, but 700,000 are yet to be covered. I believe that we can dramatically increase the number who have health insurance. Innovative ideas are being discussed in this Capitol. We must work together to reduce the uninsured by employing the following principles:

First, we should combine various resources—federal and state, public and private—to lower the price of insurance.

Second, we should offer incentives to employers that provide health insurance such as the franchise tax cut I outlined.

Third, we should improve our laws so that Missourians can take their insurance with them when they switch jobs.

Fourth, we should pool the purchasing power of the uninsured to help them buy insurance at the lowest possible cost.

Fifth, we should allow employers and employees to pay insurance premiums with tax free dollars.

And sixth, the state should invest money to launch a program taking all of these principles into account, and I commit 20 million dollars to launch this initiative.

We can do all of this, and we can make the system work for every single Missourian.

These principles, combined with HealthNet will provide health coverage to more Missourians than ever before in our state's history.

We already have created opportunities for many uninsured by passing legislation to allow small businesses to provide their employees with high quality health care at

an affordable price by forming Association Health Plans. Companies that had never before been able to afford health care for their employees were given the ability to purchase quality, affordable health care. And initial premium savings ranged from 18 percent for the largest employers to as much as 40 to 50 percent for small employers. I call on the Congress to enact the same laws and level the playing field for all Americans.

We have a moral obligation to protect the innocent and vulnerable. Our children are among the most vulnerable. As I travel the state, I have visited with family after family that is dealing with autism. Autism Spectrum Disorders affect more lives than pediatric cancer, diabetes and AIDS combined. Early diagnosis of autism dramatically improves the development of children who have the disorder. Fortunately, these autistic disorders can be reliably diagnosed very early in a child's life—sometimes as early as six months. To focus on diagnosis and improvements to autism treatment I am asking you to approve my recommendation of 3.9 million dollars.

Those who have a mental illness or a behavioral disorder also deserve our protection. When parents and families face the difficult decision to place their loved one in the care of the mental health system, they should have the confidence that the state provides them with a safe and nurturing environment. I created the Mental Health Task Force in June, 2006 to help us all improve safety.

I recently signed an Executive Order that implements several Task Force recommendations. In order to implement even more recommendations immediately, my budget includes 2.6 million dollars.

Together we will prevent these instances of abuse and neglect and ensure that those who mistreat the vulnerable are held accountable and punished.

Seniors also can be vulnerable, and we have a moral obligation to them. They raised and instructed us, so it is up to us to pay them back for their love and sacrifice. We can do that by helping Missouri seniors stay in their homes longer, which results in a higher quality of life for them and reduced costs for taxpayers. If you approve my budget we will have increased in-home care funding by 53 million dollars.

Let us also make it easier for Missourians to plan for retirement. I ask you to provide full tax deductibility for all long term care insurance costs.

Help me continue rooting out waste, fraud and abuse. Before I came to office the Medicaid system was being drained by fraud and abuse that took advantage of poor enforcement. We have saved more than 230 million dollars by ending much of this theft. These savings have made it easier for us to take care of vulnerable Missourians. Tonight, I renew my call for a strict false-claims act that will allow my administration to even more effectively fight fraud.

### **World Class Education**

As you all know, my budgets place schools, classrooms, teachers and students first. Two years ago, we embarked on a shared journey to improve the quality of public education for every child in the state of Missouri. Together, we have rewritten the formula to fund our schools, embraced innovation and I have fought for change.

As promised, we have increased funding for public education each year I have been in office. In the midst of an inherited budget disaster, we still increased funding. In fact, education increases have exceeded the rate of inflation in each and every budget I have recommended and in each and every budget I have signed.

This year, my highest priority remains getting more resources to our classrooms, our teachers, and most importantly, our students.

Working together we already have invested 332 million new dollars in elementary and secondary schools. This year I am calling for 214 million additional dollars for our classrooms, bringing the total increase in funding to more than half a billion dollars in the last three years.

Of course, in addition to financial investments, preparing our students to compete in the global economy requires good policy. To begin, we must focus tax dollars around areas of critical concern. Today, 36 percent of Missouri's college freshmen require basic remedial courses in college. In college, they are being taught skills they should have learned in high school or even junior high. Taxpayers should not have to pay twice for the same classes. Parents have told me that they are concerned about this, and they are worried about the good family-supporting jobs around the country that are being moved overseas.

As countries such as China and India move more and more of their citizens into advanced studies, this challenge will only grow. Missouri is no longer just competing with states like Kansas and Illinois, but we are now in the global economy competing with India and Singapore, Shanghai and Hong Kong. If we are to make Missouri families even more prosperous, we must ensure that students are equipped with advanced skills in math and science.

Technology helps improve skills and spark student interest in math and science. That is why my budget includes 2.9 million dollars to fund 100 technology classrooms in 100 different schools.

For too long, the hours between 3:00 in the afternoon and 6:00 in the evening have been the most dangerous for our children. That is one reason I have been encouraging the expansion of after school programs. These programs provide a safe haven for children and opportunities for students to participate in math and science enrichment activities that the regular school day may not allow. To support these programs my budget includes 1 million dollars to expand quality after school programs in math and science, as well as physical activity and health.

I also recently announced the third consecutive year of increased funding for Parents as Teachers. I did so because early childhood education is a great investment for the future. Recently, I convened the first meeting of the Coordinating Board for Early Childhood. They will be a valuable resource as we work to strengthen opportunities for Missouri children.

Good education policy demands that we confront difficult problems head on. As you know, the St. Louis City school district is failing our children. It is failing to provide a basic education to thousands of young Missourians. For me, no option is off the table, and I am willing to work with anybody who cares about our children.

We also owe it to families across the state to ease access to college and ensure students get an education and not just a degree. Higher education, whether it be in a community college or a four year institution, is a sound investment that helps to secure a higher quality of life for the next generation.

Unfortunately, literacy among college graduates has actually declined in the last decade. Employers express concern regarding the skill level of graduates applying for jobs. This is unacceptable. Missouri's colleges and universities need to be accountable to taxpayers. I am calling upon the Coordinating Board for Higher Education to create standards and measure performance. Funding for higher education should be tied to colleges and universities meeting those standards.

College costs must be controlled, and tuition must be more predictable. To help the family budget, I propose that only in extraordinary circumstances should the Coordinating Board for Higher Education be able to authorize an exception to this rule: No tuition increase should exceed the rate of inflation.

The state must support higher education, and this year, my budget will send 40 million new dollars to colleges and universities. My three year plan will increase funding by more than 110 million dollars. Significantly, we can also make it easier for Missourians to go to college by increasing need-based scholarship funding from 27.5 million dollars to more than 72.5 million dollars.

Additionally, 3.4 million dollars will be added to recruit students into the health care professions and to forgive loans for students who are preparing to be Missouri doctors, dentists and nurses.

But our effort to deliver a world class education must not stop there. Missouri college students are learning math and science skills in labs and classrooms that are out of date. Talented Missourians interested in entering competitive industries are leaving Missouri for institutions with state of the art facilities. Every one of our campuses has significant capital improvement needs that, if completed, would help ensure that Missouri students are receiving a world class education here at home.

To address those needs I developed the Lewis and Clark Discovery Initiative, which is a partnership between the Missouri Higher Education Loan Authority and the state. Through this Initiative we can sell loans held by people in other states and bring 335 million dollars home to strengthen our colleges and universities for our students.

Missouri's colleges and universities have been waiting far too long for this critical boost in quality. Each additional day that we wait means increased costs. I ask you to act with urgency and approve the Lewis and Clark Discovery Initiative.

We owe it to every Missourian to provide a world class education that will unleash their God-given potential.

### **Family-supporting Jobs**

We also owe it to Missourians to foster an economic climate that creates good family-supporting jobs. We promised that we would work to do that. Missourians have responded to the pro-growth, pro-job policies we have enacted, and since January 2005 Missourians have created more than 53,000 new jobs, 279 businesses per week, and higher per capita personal income.

Part of promoting that healthy economic climate was passing frivolous-lawsuit reform. The old system encouraged frivolous lawsuits and made it difficult to protect Missourians' access to health care because well-trained doctors were fleeing the state due to skyrocketing insurance premiums.

In 2005 we passed legislation that made it much more difficult to file frivolous lawsuits. This has enabled us to recruit and retain doctors, increased the quality of care, and reduced the cost of doing business.

In the past the state often subsidized businesses that paid low wages and did not provide health benefits. In 2005 we enacted the Missouri Quality Jobs Act, which centers our economic development on the creation of family supporting jobs with good wages and health care benefits. The Quality Jobs Initiative is the most important economic development tool that we have ever had. So I am asking you to double its capacity to create even more family-supporting jobs.

The Internet is transforming our lives. It is increasing productivity and adding to our quality of life, but not all Missourians have access to this valuable tool. We must promote policies encouraging investment so that we can deliver high speed Internet to more Missourians—whether wealthy or poor, young or old, in our largest cities or on our most remote farms.

When government allows businesses to compete, Missourians see lower prices and more choices. So I am asking you to enact legislation that creates competition for all companies that want to provide telecommunications and cable services.

I also urge you to change the law so that Missouri families get to keep more of their own income. President Roosevelt signed the Social Security Act so that, in America, growing older did not mean you had to be poor. Yet, the state taxes people's well earned Social Security benefits. This is not a problem that we created, but it is another problem that we can solve. The Social Security tax is a Social Security cut. So let us stop the cut and allow Missouri seniors to keep the Social Security they have earned. I urge you to take up, pass, and allow me to sign Speaker Jetton's legislation to stop cutting people's Social Security.

### **Honoring Our Veterans**

Many seniors are of that great generation of Americans who defeated the forces of tyranny in the Second World War. As a veteran, I am proud to lead a state that respects those who wear the uniform today. We must do our best to honor the brave men and women of our Armed Forces. They volunteered to endure blood, sweat and tears, and to do this all to protect and extend the frontier of freedom. With your support we have already been able to achieve a great deal for our veterans and their families.

We enacted legislation to prevent hateful protests at the funeral services of fallen soldiers. Because of this law, and the vigorous enforcement by our police, sheriffs and Highway Patrol, the families of our men and women in uniform are able to honor our military heroes.

With your help we also established the Guard at Home program, which is helping the families of deployed guard members and reservists avoid economic hardship. Once our guard members and reservists return home, the Guard at Home program will help them get back into the civilian workforce.

But we need to do more. I am also asking you to streamline the process for qualified veterans who apply for or renew a professional license.

These brave Missourians have stood up for democracy. It is our duty to stand up for them. That is why my budget will send an additional 6.2 million dollars to support veterans' homes and 4.5 million new dollars for better equipment.

### **The Sanctity of Life**

Remarkably, it was only in the last two centuries that democracy became the preferred form of government. In that time, however, one of the defining traits of democracy has been a concern for what we refer to as a society's "culture." No society can remain civilized if it does not concern itself with the respect and courtesy that is shown to one another, how it perceives the family, and how it treats its most vulnerable.

Missourians know that a coarsening of our culture undermines human dignity. In stark contrast to cultural relativism stands the belief that all of humanity is bound together by a moral fabric. There is, indeed, an enduring moral order and our policies should reflect our basic values.

We have enacted laws that move us in the right direction. We are fortunate to live in a state that has protected traditional marriage and enshrined that protection in the constitution. Since I came to office we have also been able to enact important laws that make Missouri a national leader in protecting human life. We created an income tax credit for pregnancy resource centers. We also strengthened parental consent laws to ensure that Missouri parents are involved in the most critical decisions that their young children make.

This year we must continue to protect the innocent and pass legislation that reflects our common values. I ask you to approve the 200,000 dollars in new funding that I have recommended for the Alternatives to Abortion program, and I also urge you to place this program in statute and make it permanent.

### **Protecting Society from Violent Crime**

The fundamental responsibility of government is to protect life and liberty. Ensuring the safety of our children is at the center of this obligation. That is why last year we passed Missouri's version of Jessica's Law. It mandates a life sentence with at least 30 years served for those predators who commit the most egregious crimes against young children. This law is one of the toughest in the nation. We have sent a clear message to child predators. If they commit such a crime in Missouri we will put them behind bars for a very long time, and if they ever get out of jail we will watch them for the rest of their life.

The Internet has opened up a whole new world of information. Unfortunately, terrible people have put it to terrible use. Some are using the Internet to lure our children into dangerous and potentially fatal situations.

The ability to catch these criminals and prosecute them is critical to enforcing the tough provisions of Jessica's Law. Fortunately, Jessica's Law created the Cyber Crime Grant Program. This year I am asking you to double the funding for this valuable program and approve an additional 250,000 dollars to help Internet crime fighters buy the equipment they need to track down these predators.

Our ability to protect our children depends on three things: tough laws, great law enforcement, and vigilant citizens. Thankfully we have them all. As you all know, Mitchell Hults gave law enforcement the information they needed to rescue Shawn Hornbeck and Ben Ownby. Because of his vigilance, these families have been reunited. Mitchell Hults is here tonight. Please join me in honoring a Missouri hero, Mitchell Hults.

Public safety involves more than just vigorous enforcement of our criminal laws. Governments, charities, churches and the Missouri National Guard must work together to overcome natural disasters. Missourians are kind, compassionate and generous people. We look out for one another. The ongoing recovery from the ice storms is only the latest case of Missouri meeting the challenge of an unexpected disaster.

Missourians who have had to endure multiple outages deserve real answers and effective solutions. I am calling on electric utilities to evaluate the damage caused by the ice storms and take appropriate preventive action.

Law-abiding Missourians should not be punished when they use force to defend themselves and their families in their own home. I urge you to pass legislation that protects Missourians when they defend themselves from attack. I also ask you to pass legislation that guarantees Missourians will retain their Second Amendment rights, especially in times of emergency.

Like all of you, I still remember learning the story of the Good Samaritan—the story of a man who acted as a neighbor to a perfect stranger. In emergencies we are blessed to have doctors, nurses and others who volunteer to help. These volunteers should not be punished for their generosity. I urge you to pass legislation that protects volunteers from frivolous lawsuits when they are acting as Good Samaritans.

Murderers inflict incomprehensible pain and suffering when they take the life of a police officer, sheriff, corrections officer, or state trooper. So I am asking you to pass



legislation that makes the death penalty mandatory in cases involving the murder of a law enforcement officer.

### **Agriculture and Renewable Fuels**

A grave national security threat is a reliance on oil imported from nations that despise our country, hate our values and want to harm innocent Americans. The production of renewable fuels is one of Missouri agriculture's greatest success stories. In the same way that Missouri's farmers rose to a great challenge and fed the world in the last century, this century's Missouri farmers will answer another noble calling and fuel America.

The use of ethanol blended fuel helps family farmers and it leads to improved air quality. Last year you passed, and I signed, legislation requiring that virtually all gasoline sold in Missouri contain 10 percent ethanol by January 1 of next year.

With your help I have already proposed and signed budgets that included full funding for the biodiesel and ethanol incentive funds as well as funding for back payments from previous years that were not honored before I assumed office.

This year's budget fully funds the biodiesel and ethanol incentives, and I further propose that we fulfill all outstanding payments in the supplemental budget.

We have passed laws to limit government and protect freedom in the past. I know we can do it again this year. In 2005, the United States Supreme Court ruled that local governments can take property and give it to private developers. It was a terrible ruling. In response, we enacted strong legislation to protect Missourians from losing their homes and farms in the name of commercial development. The American Farm Bureau calls Missouri's law the Gold Standard for protecting property rights.

This legislation was a bold step for all home and property owners. Now we need to stand up again for the rights of our farmers. The 100,000 plus Missouri family farms must be protected from abusive lawsuits. Missourians who have been farming for years and generations should have the right to work the land. They should not be burdened with unreasonable ordinances designed to chase them out of farming. So that Missouri farm families can continue to produce the food and fiber that is so vital to feeding families here at home and around the world, I urge you to pass the Missouri Farm and Food Preservation Act.

### **Safe and Modern Transportation**

If you have driven anywhere in Missouri in the last two years, you have probably seen some new construction. If you are like me, it has probably made you late a time or two. But the inconvenience has been worth it. Early last month MoDOT delivered a total of 2,200 miles of safer, smoother and better roads. Fewer Missourians lost their lives traveling on our roads last year. Missourians now travel more safely, with less wear and tear on their vehicles and less time in traffic.

My administration's road improvements will not end with the Smooth Roads Initiative. I fully support MoDOT's new initiative which will improve 5,600 miles of major highways over the next five years. Every Missourian will benefit from this effort.

### **Respecting People's Hard-Earned Dollars**

The budget I am submitting is balanced. Our fiscal situation is dramatically improved from when I stood before you two years ago. We did not achieve this progress by taking an easy road. Because we were responsible in the past, we can make critical investments and stop cutting the Social Security benefits of our seniors.

We do have a surplus. But it is the people's surplus, and we must use it wisely. We cannot create new ongoing costs by expanding government. We cannot recreate the spending dilemma that we faced two years ago. We need to give the people of

Missouri a government that is responsible so that Missouri families can move forward together.

The budget I submit to you provides a 200 million dollar ending balance to fund key priorities including education and healthcare in future fiscal years.

The budget I recommend continues the course of fiscal responsibility. It is balanced and it does not raise taxes. It reflects the common sense priorities of the people of Missouri.

### **A New Age of Prosperity**

Together we play a vital role in shaping the future. Together we can demonstrate the strength of our leadership by giving Missourians the opportunity to experience the full promise of American life. We have it within our power to lay the foundation for an age of unprecedented prosperity for every Missourian.

Together we can show the strength of our character as we allow Missourians to keep and enjoy the prosperity they earned—by replacing broken and outdated government programs with effective initiatives to serve the sick and the poor, by lowering the tax burden on Missourians, especially our seniors, and by giving every child in Missouri an education that will serve as the first rung on a ladder to achieving their own prosperity and a bright future.

We must do this because as Thomas Jefferson said, “the happiness and prosperity of our citizens is the only legitimate object of government.” We can do this because there is no limit to what the people of Missouri can achieve when they have the freedom to succeed.

Thank you. May God bless you and may God continue to bless the great state of Missouri.